



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 30, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE A RESOLUTION OF INTENTION AND APPROVE THE
INTRODUCTION OF AN ORDINANCE TO GRANT A PUBLIC UTILITY
WATER PIPELINE FRANCHISE TO CALIFORNIA WATER SERVICE COMPANY
(FIRST, SECOND, FOURTH AND FIFTH DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of these recommendations will grant a public utility water pipeline franchise to California Water Service Company to renew its existing franchise rights in the unincorporated areas of East Los Angeles, East Compton, West Carson, Westfield/Rolling Hills Estates, Leona Valley, Lake Hughes, and Lancaster.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve a Resolution of Intention to grant a public utility water pipeline franchise to California Water Service Company, a California corporation, to renew its existing franchise rights for water service areas located within the unincorporated areas of East Los Angeles, East Compton, West Carson, Westfield/Rolling Hills Estates, Leona Valley, Lake Hughes, and Lancaster.
2. Introduce, waive reading, and place on the Board of Supervisors agenda an ordinance to grant California Water Service Company a 15-year public utility water pipeline franchise, setting the matter for public hearing on November 27, 2012, and instructing the Executive Officer of the Board of Supervisors to publish a notice of the public hearing pursuant to Section 6232 of the California Public Utilities Code.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 October 30, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

[SET FOR HEARING - NOVEMBER 27, 2012](#)

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

3. Find that this water pipeline franchise renewal project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors on November 17, 1987, and Section 15301 of the State CEQA Guidelines (Exiting Facilities).

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:

Adopt an ordinance to grant California Water Service Company a 15-year public utility water pipeline franchise becoming operative on January 1, 2013, the day after the existing franchise expires.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommendations is for the Board to approve a Resolution of Intention, introduce an ordinance, schedule a public hearing, and publish a notice of the public hearing as needed to adopt an ordinance to renew the existing water pipeline franchise rights granted to California Water Service Company (Cal-Water).

Implementation of Strategic Plan Goals

The County Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize and support timely delivery of efficient public services. The Board's adoption of an ordinance to renew the Cal-Water franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

Cal-Water has paid the County a one-time fee of \$5,000 to process an ordinance to renew the franchise, and will continue to pay an annual franchise fee pursuant to Division 3, Chapter 2 of the California Public Utilities Code. Cal-Water is required to pay the County 2 percent of the gross annual receipts derived from the use, operation, or possession of the franchise, but not less than 1 percent of the gross annual receipts from the sale of water within the unincorporated areas of the County. Cal-Water paid the County a franchise fee of \$322,487 for the 2011 calendar year period.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 22, 1987, the Board adopted Ordinance No. 87-0187F, granting a 25-year water pipeline franchise to Cal-Water, which became operative on January 1, 1988, and will expire on December 31, 2012. Cal-Water is a regulated public utility water company and wholly owned subsidiary of California Water Service Group.

In May 2000, the California Public Utilities Commission (CPUC) approved Cal-Water's acquisition of Dominguez Services Corporation (Dominguez), the parent company of Antelope Valley Water Company (Antelope Valley). As a result of the merger, Antelope Valley and all the operations of Dominguez became new districts and water service areas within Cal-Water.

In June 2003, the Board adopted Ordinance No. 2003-0036F to approve the merger with Dominguez and transfer to Cal-Water the franchise rights the Board granted to Antelope Valley by Ordinance No. 82-0227F, and adopted Ordinance No. 2003-0037F to repeal the Antelope Valley franchise that was no longer needed.

During the 2011 calendar year, Cal-Water delivered over 3.610 billion cubic feet of water serving a total population of 458,961 in southern California, through 110,279 active water connections (commercial, residential, and public) in five Water Districts.

The customers Cal-Water serves in the unincorporated areas of the County include East Los Angeles (15,447), East Compton (287), West Carson (5,097), Westfield/Rolling Hills Estates (966), Leona Valley (437), Lake Hughes (227), and Lancaster (none), for a total of 22,461 customers served in the unincorporated areas.

The Lancaster franchise area is a CPUC commissioned water service area in which there are currently no customers being served. Additionally, Cal-Water has provided documentation showing proof of prior rights in a majority of the East Compton and West Carson unincorporated areas, which relieves Cal-Water from the costs to relocate its facilities and the payment of annual franchise fees from water sales in these areas.

The Department of Public Works has reviewed this recommendation and has no objection to the renewal of the Cal-Water pipeline franchise. County Counsel has reviewed the Resolution of Intention and Ordinance to renew the Cal-Water pipeline franchise and approved them as to form.

ENVIRONMENTAL DOCUMENTATION

This pipeline franchise renewal project is categorically exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines (Exiting Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This renewal of the Cal-Water water pipeline franchise will not negatively impact any current services or future projects.

CONCLUSION

Instruct the Executive Officer of the Board of Supervisors to forward conformed copies of this adopted Board recommendation and the adopted ordinance to Ms. Lynne McGhee, Associate Corporate Counsel, California Water Service Company, 1720 N. First Street, San Jose, California 95112, and the offices of County Counsel, Department of Public Works, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
CMM:RB:ls

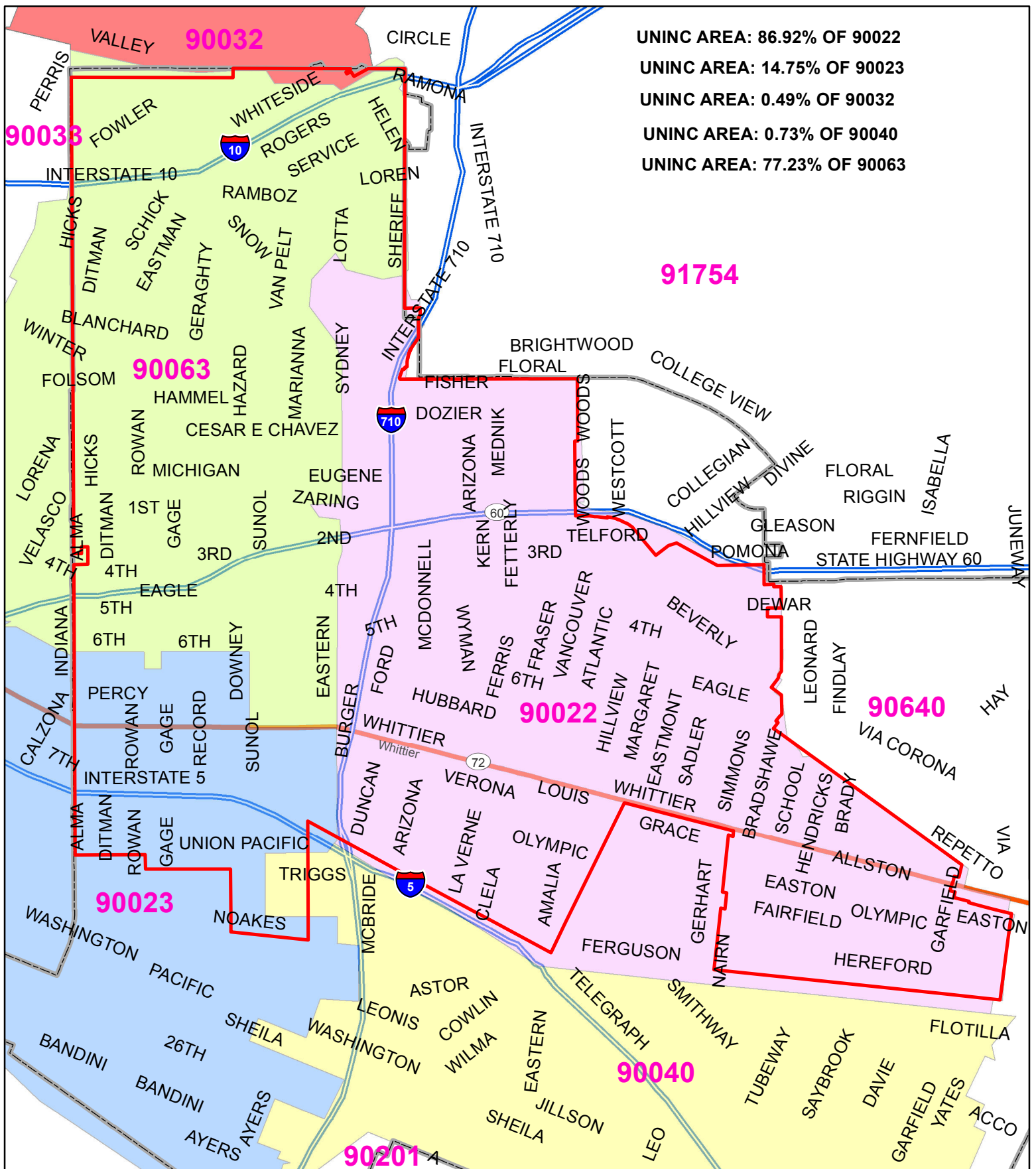
Attachments

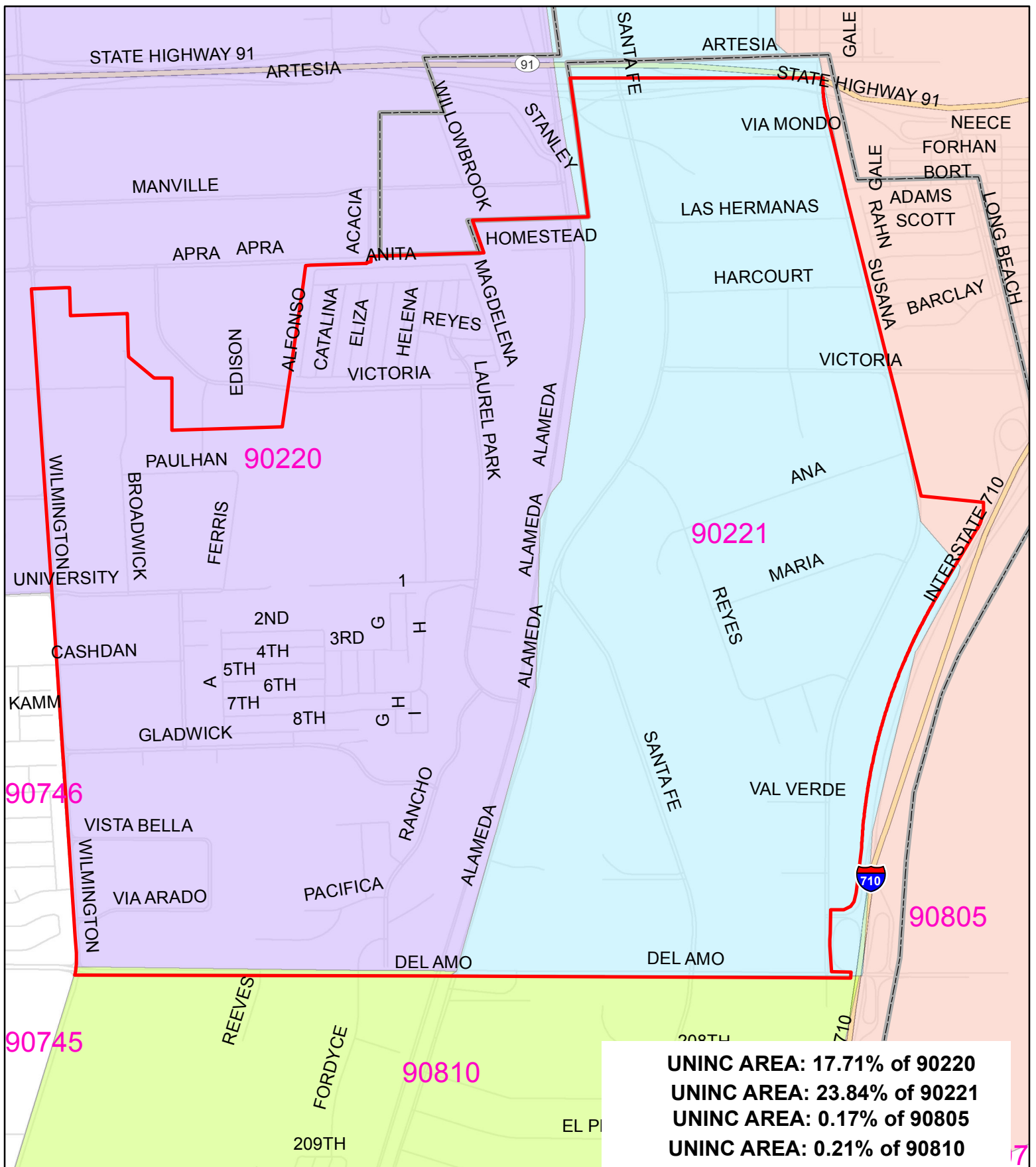
c: Executive Office, Board of Supervisors
County Counsel
Public Works

FRANCHISE AREA MAPS

California Water Service Company

These maps illustrate the unincorporated areas affected by the franchise and are provided for the convenience of the reader.





Legend

- UNINC_AREA
- DOM-SERVICE AREA
- STREET
- HWYS

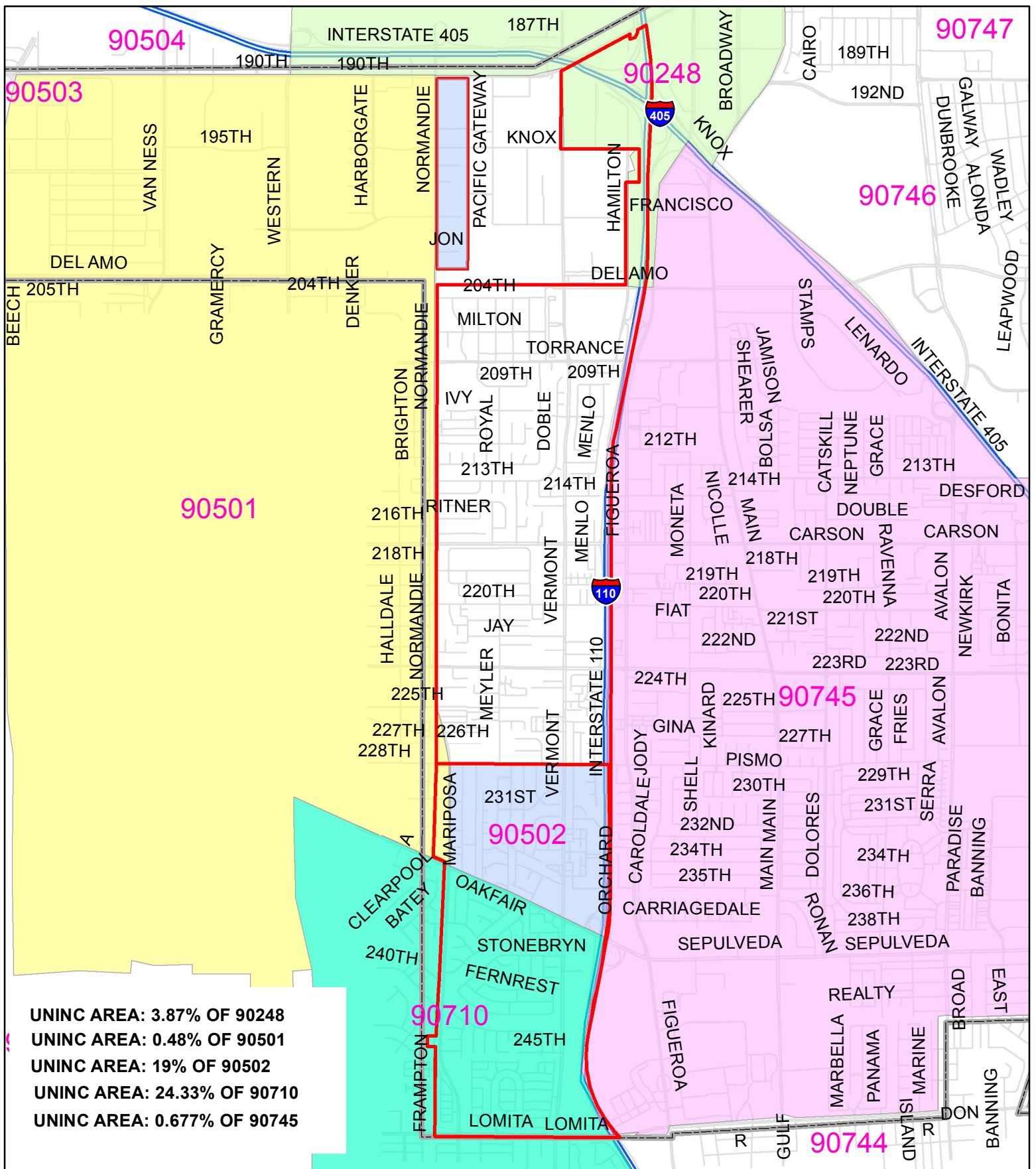
ZIP_CODE

- 90220
- 90221
- 90805
- 90810

California Water Service Company Public Utility Water Pipeline Franchise EAST COMPTON- UnIncorporated Area



1 inch = 1,400 feet
Date: APRIL 2012



Legend		ZIP_CODE
	UNINC_AREA	90502
	DOM-SERVICE AREA	90248
		90501
		90710
		90745
		90747
	STREET	
	HWYS	

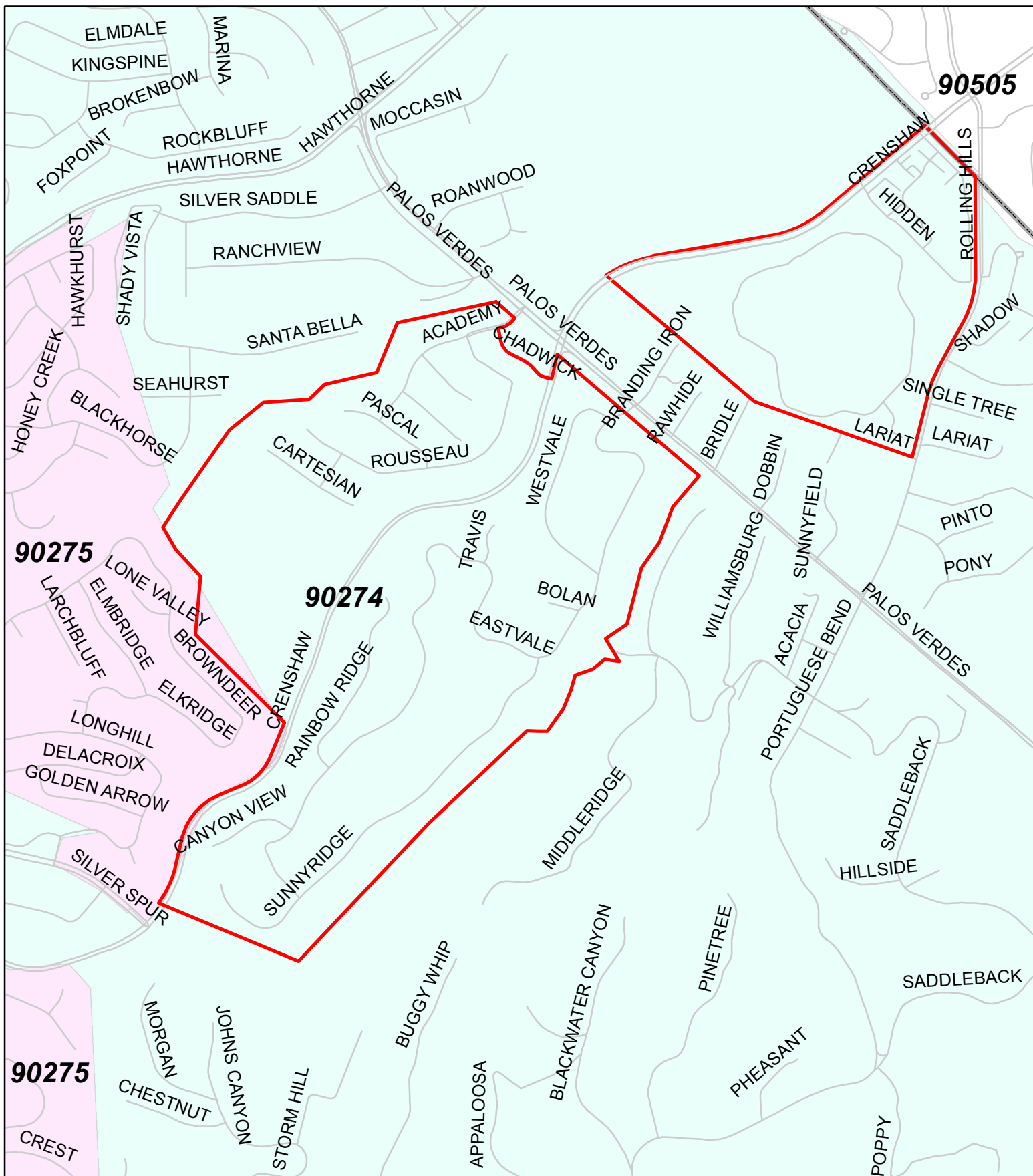
California Water Service Company

Public Utility Water Pipeline Franchise

WEST CARSON- UnIncorporated Area

N
↑

1 inch = 2,650 feet
Date: APRIL 2012

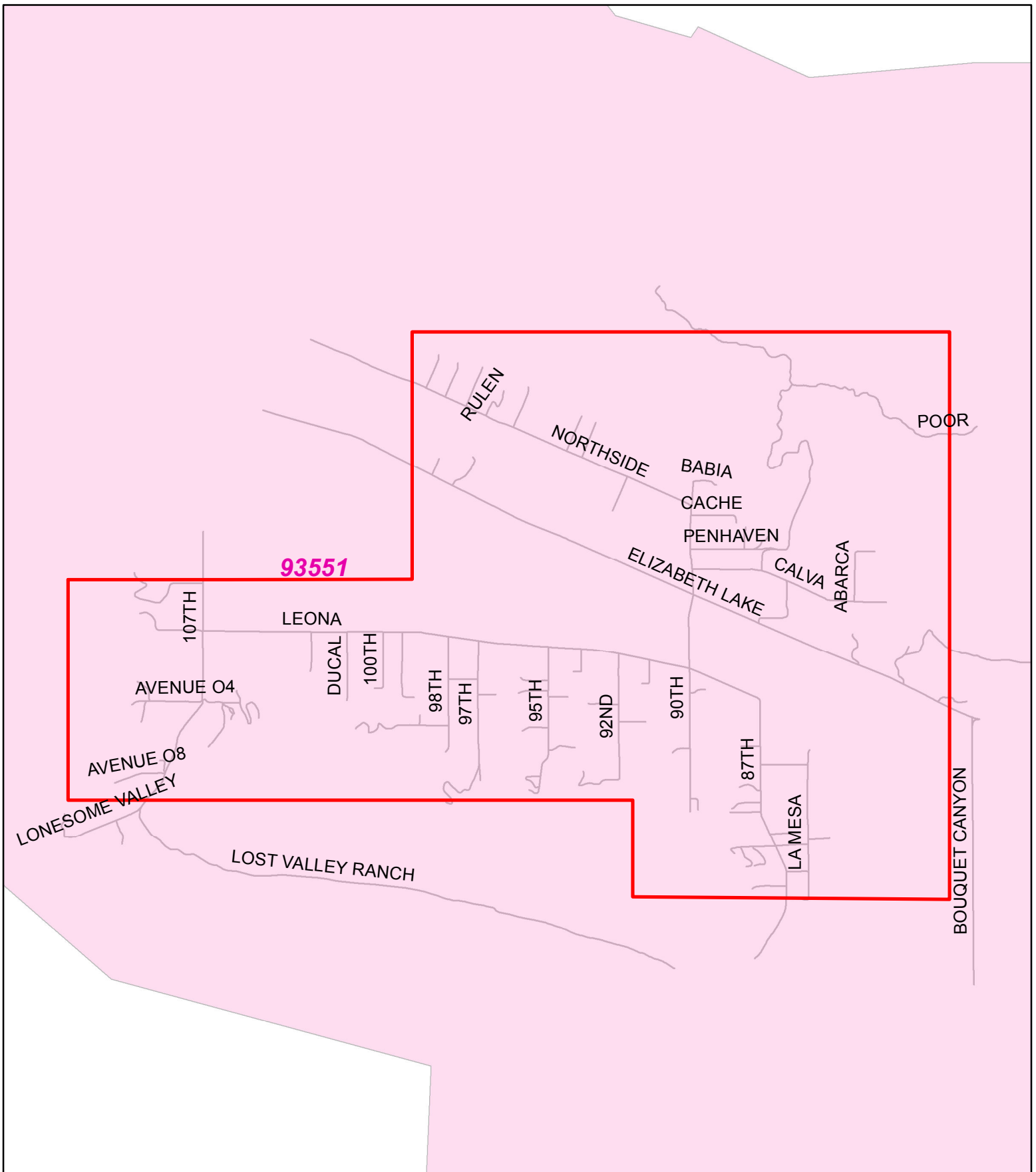


Legend		ZIP_CODE	
	UNINC_AREA		90274
	PV-SERVICE AREA		90275
	STREET		
(NO FACILITIES IN 90275 AREA)			
UNINC AREA: 5.71% of 90274			




California Water Service Company **Public Utility Water Pipeline Franchise** **Palos Verdes District - Westfield /** **Rolling Hills Estates Area**



1 inch = 1,100 feet
Date: APRIL 2012



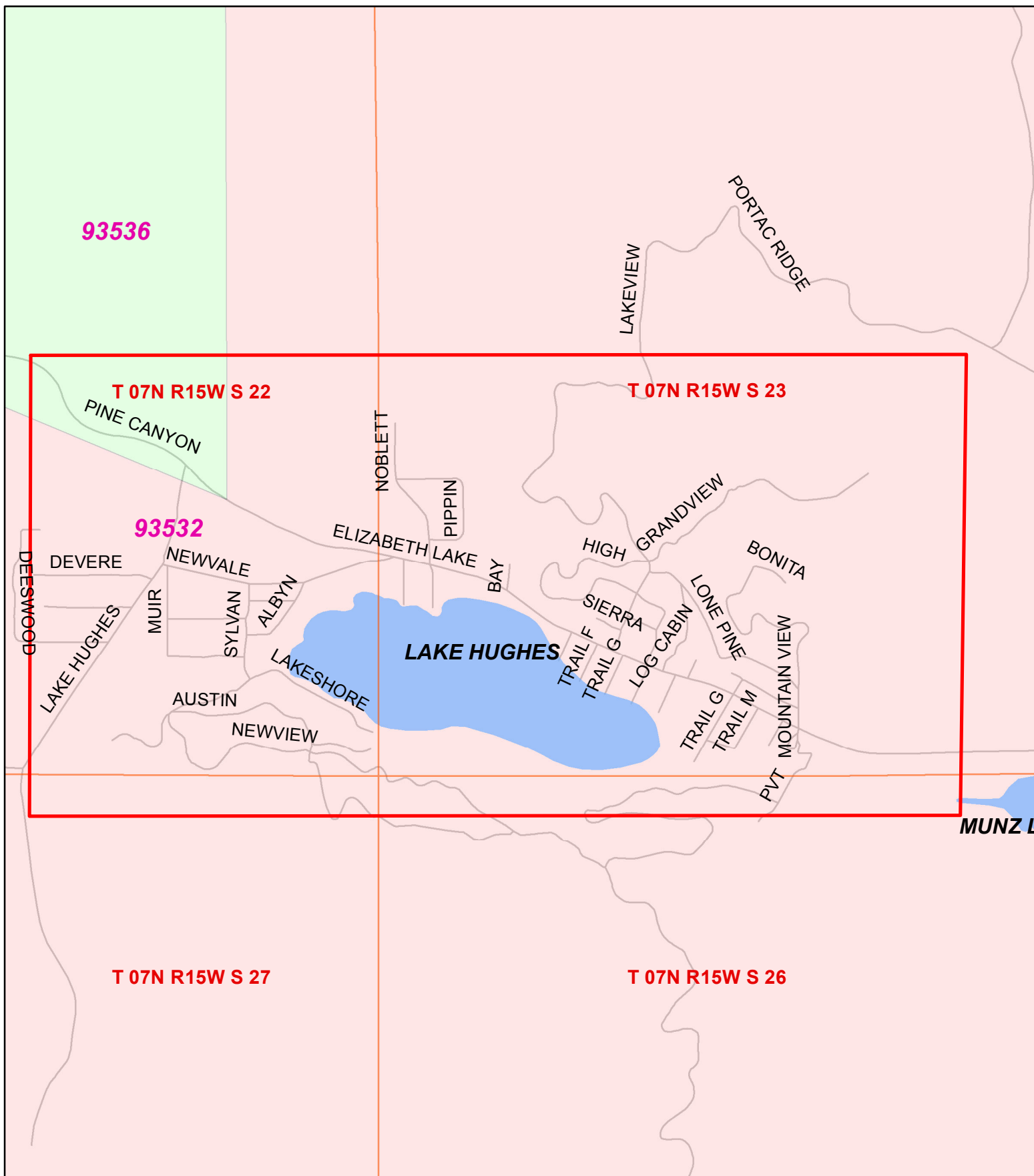
Legend

-  AV-SERVICE AREA & UNINC AREA
-  ZIP_CODE 93551
-  STREET

California Water Service Company
Public Utility Water Pipeline Franchise
Leona Valley - UnIncorporated Area



1 inch = 2,400 feet
Date: APRIL 2012



Legend

 UNINC_AREA

STREET

 SECTION

ZIP_CODE

93532

93536

California Water Service Company

Lake Hughes - SERVICE AREA LOCATED

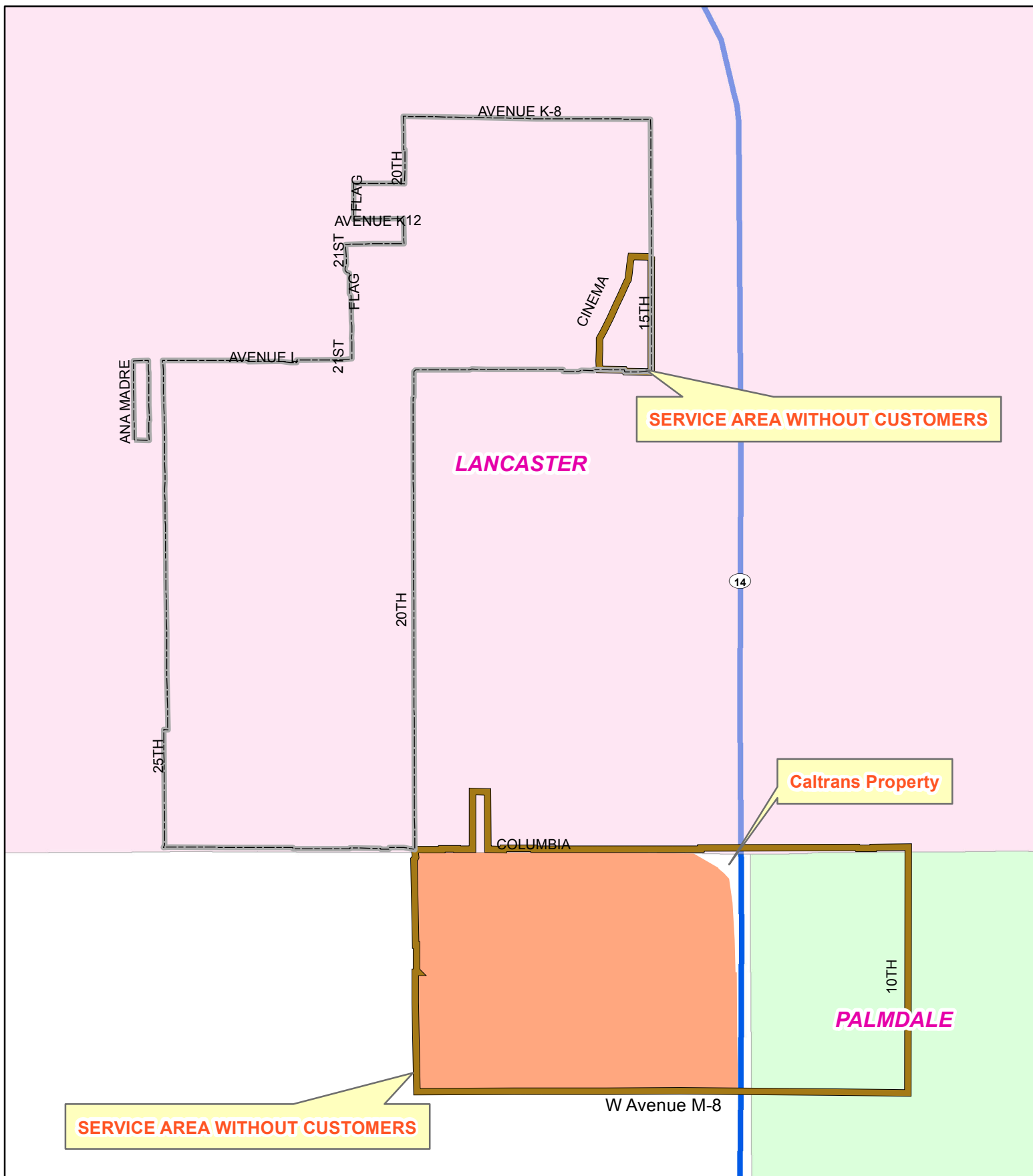
ENTIRELY WITHIN ANGELES NATIONAL FOREST

PROPERTY



1 inch = 800 feet

Date: APRIL 2012



<p>Legend</p> <ul style="list-style-type: none"> FWY UNINC_AREA LANCASTER-SERVICE AREA SERVICE AREA WITHOUT CUSTOMERS 	<p>CITY_BNDY</p> <ul style="list-style-type: none"> LANCASTER PALMDALE 	<p>California Water Service Company</p> <p>Lancaster</p>	<p>N</p> <p>1 inch = 1,400 feet</p> <p>Date: AUG 2012</p>

RESOLUTION OF INTENTION

To Grant a

Public Utility Water Pipeline Franchise

To

California Water Service Company

**RESOLUTION OF INTENTION TO GRANT A 15-YEAR PUBLIC UTILITY WATER
PIPELINE FRANCHISE TO CALIFORNIA WATER SERVICE COMPANY**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, State of California:

A. California Water Service Company, a California corporation ("Franchisee") has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a water pipeline franchise for a period of fifteen (15) years, beginning on January 1, 2013, the operative date of the franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, and remove or abandon in place, pipes and pipelines for the transportation and distribution of water, waste water, mud, and other liquid substances, including those substances that are generally accepted as appropriate for the treatment of water, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. § 9601 et seq., and amendments thereto (provided, however, that this exclusion shall not apply to substances in such amounts as are generally accepted as appropriate for the treatment of water), together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, adjunct communications lines, including poles, conduits, wire, cables, and other appurtenances and equipment for telegraph or telephone lines, or both, necessary or appropriate solely for the Franchisee's operations in, under, along, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use within the unincorporated territory of the County of Los Angeles, State of California, for Franchisee's water service area(s) located within the unincorporated area(s) of East Los Angeles, East Compton, West Carson, Westfield / Rolling Hills Estates, Leona Valley, Lake Hughes, and Lancaster, depicted on the exhibit map(s) attached to the proposed Ordinance to grant the franchise, and any additional unincorporated territory of the County that may be added to the Franchisee's water service area(s) during the term of the franchise.

B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee, and its successors and assigns will, during the life of the franchise, pay annually to the County of Los Angeles, State of California, the amount specified in the proposed Ordinance to grant the franchise, from the date of the granting of the franchise, and in the event such payment is not made, the franchise will be forfeited.

C. The franchise is described in the Ordinance attached hereto as Exhibit "A" and is a franchise for water transportation and distribution purposes.

D. That on the 27 day of November, 2012, at the hour of 9:30 a.m. of said day, a day not less than twenty (20) nor more than sixty (60) days after the date of the passage of this Resolution of Intention, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, CA 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

E. The Executive Officer, Board of Supervisors, shall cause notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles, State of California.

The foregoing resolution was on the 30th day of October, 2012, adopted by the Board of Supervisors of the County of Los Angeles, State of California, and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By [Signature]
Deputy

APPROVED AS TO FORM BY:

JOHN F. KRATTLI
County Counsel

By [Signature]
Kathleen Bramwell
Principal Deputy County Counsel